

**GREATER BOSSIER ECONOMIC
DEVELOPMENT FOUNDATION
BOSSIER CITY, LOUISIANA
DECEMBER 31, 2013 AND 2012**

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

BOSSIER CITY, LOUISIANA

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AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

—LLC—

CERTIFIED PUBLIC ACCOUNTANTS

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May 15, 2014

To the Board of Directors
Greater Bossier Economic Development Foundation
Bossier City, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the Greater Bossier Economic Development Foundation (a nonprofit organization) which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Greater Bossier Economic Development Foundation as of December 31, 2013 and 2012, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2014, on our consideration of Greater Bossier Economic Development Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater Bossier Economic Development Foundation's internal control over financial reporting and compliance.

Heard, McElroy & Vestal LLC

Shreveport, Louisiana

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2013 AND 2012

<u>A S S E T S</u>	<u>2013</u>	<u>2012</u>
<u>Current assets:</u>		
Cash and cash equivalents	<u>609,654</u>	<u>541,508</u>
Total current assets	<u>609,654</u>	<u>541,508</u>
 <u>Property and equipment, less accumulated depreciation</u> of \$53,757 and \$48,261 -Note 4	 6,076	 10,687
 <u>Other assets:</u>		
Investment in Red River Bidco, Inc.	<u>26,826</u>	<u>37,752</u>
 Total assets	 <u><u>642,556</u></u>	 <u><u>589,947</u></u>
 <u>LIABILITIES</u>		
 <u>Current liabilities:</u>		
Payroll taxes	<u>1,799</u>	<u>1,594</u>
 Total liabilities	 1,799	 1,594
 <u>NET ASSETS</u>		
 <u>Net assets:</u>		
Unrestricted	<u>640,757</u>	<u>588,353</u>
 Total liabilities and net assets	 <u><u>642,556</u></u>	 <u><u>589,947</u></u>

The accompanying notes are an integral part of the financial statements.

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>Revenue and other support:</u>		
Dues	49,075	46,775
Riverboat revenue	465,280	419,037
Special projects	5,000	9,000
Investment income	552	7,604
Miscellaneous income	<u>2,000</u>	<u>2,000</u>
Total revenue and other support	521,907	484,416
<u>Expenses:</u>		
Program services:		
Community support	137,100	847,450
Legislative expenses	6,000	6,000
Special projects	<u>10,423</u>	<u>11,038</u>
Total program services	153,523	864,488
Supporting services:		
Salaries and benefits	225,309	219,105
Professional services	11,002	12,272
Marketing	16,983	16,652
Newsletter and promotion	3,430	2,853
Rent-Note 5	14,940	14,940
Office operations	38,377	38,333
Depreciation	5,496	5,504
Other	<u>443</u>	<u>371</u>
Total supporting services	315,980	310,030
Total expenses	<u>469,503</u>	<u>1,174,518</u>
<u>Change in net assets</u>	52,404	(690,102)
<u>Net assets-beginning of year</u>	<u>588,353</u>	<u>1,278,455</u>
<u>Net assets-end of year</u>	<u>640,757</u>	<u>588,353</u>

The accompanying notes are an integral part of the financial statements.

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	52,404	(690,102)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	5,496	5,504
Changes in operating assets and liabilities:		
(Decrease) increase in payables	<u>205</u>	<u>(402)</u>
Net cash provided (used) by operating activities	58,105	(685,000)
<u>Cash flows from investing activities:</u>		
Proceeds from redemption of certificate of deposit	-	549,811
Distributions from investment	10,926	62,248
Purchase of fixed assets	<u>(885)</u>	<u>(2,857)</u>
Net cash provided by investing activities	<u>10,041</u>	<u>609,202</u>
<u>Net increase (decrease) in cash</u>	68,146	(75,798)
<u>Cash at beginning of year</u>	<u>541,508</u>	<u>617,306</u>
<u>Cash at end of year</u>	<u>609,654</u>	<u>541,508</u>

The accompanying notes are an integral part of the financial statements.

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

1. Organization

The Greater Bossier Economic Development Foundation (the Foundation) is a Louisiana nonprofit corporation which has been in existence since 1979 as the economic development arm of the Bossier Chamber of Commerce. On April 13, 2005, the Foundation was incorporated and exempt under Section 501(c)(6) of the Internal Revenue Code and became its own independent nonprofit entity. The activities currently provided by the Foundation include providing leadership and excellence in economic development for Bossier City, Louisiana.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Foundation and the methods of applying those policies which materially affect the determination of financial position, changes in financial position, or changes in net assets are summarized below:

Financial Statement Presentation:

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the governing board.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Board of Directors and/or the passage of time. There are no temporarily restricted net assets at December 31, 2013 and 2012.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. There are no permanently restricted net assets at December 31, 2013 and 2012.

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Riverboat revenues are funded by a percentage of monthly net gaming proceeds from the riverboat casinos located in Bossier City. The funding was enacted by Legislature of the State of Louisiana.

Promises to Give:

Contributions that are unrestricted are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

2. Summary of Significant Accounting Policies (Continued)

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of these financial instruments.

Income Taxes:

The Foundation is exempt from income taxes as an organization described in Section 501(c)(6) of the Internal Revenue Code. The Foundation has been classified as an organization that is not a private foundation under Section 509(a). Accordingly, there is no provision for income taxes in these financial statements, however, the Foundation is required to file an annual information tax return.

The Foundation is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

The Foundation is required to file U.S. federal Form 990 for informational purposes. Its federal income tax returns for the tax years 2010 and beyond remain subject to examination by the Internal Revenue Service.

3. Concentrations of Credit Risks

The Foundation maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2013 and 2012, the Foundation's uninsured cash balances totaled \$-0- and \$-0-, respectively.

4. Investments

On December 19, 2000, the Foundation purchased 1,000 shares of Preferred Series A stock in Red River Valley Bidco, Inc. for the amount of \$100,000. The investment was made to participate in funding Red River Valley Bidco, Inc., which is a for-profit entity formed as a financial assistance corporation which provides loan funds for business, industry and job creation over a 10-parish area of Northwest Louisiana. Red River Valley Bidco, Inc. supplements private lenders' efforts by either participating with them on special financing projects or by direct loans to borrowers who cannot qualify under a private lender's rule. The basis of the Foundation's investment in this stock has changed over time due to its share of the venture's distributions. Based on distributions received, as of December 31, 2013 and 2012, the balance of the investment in Red River Valley Bidco, Inc. was \$26,826 and \$37,752, respectively.

5. Fixed Assets

Fixed assets at December 31, 2013 and 2012 are summarized as follows:

	<u>2013</u>	<u>2012</u>
Leasehold improvements	13,139	13,139
Furniture and fixtures	12,344	12,344
Office equipment	<u>34,350</u>	<u>33,465</u>
	59,833	58,948
<u>Less-accumulated depreciation</u>	<u>53,757</u>	<u>48,261</u>
Book value of fixed assets	<u>6,076</u>	<u>10,687</u>

Depreciation expense was \$5,496 and \$5,504 for the years ended December 31, 2013 and 2012.

6. Operating Lease

The Foundation currently leases its present location from the Bossier Chamber of Commerce under a month-to-month lease. The expense incurred under this lease for the years ended December 31, 2013 and 2012 was \$14,940.

7. Retirement Plan

Prior to August 2007, the Foundation participated in a 401(k) retirement plan which was a part of the Bossier Chamber of Commerce plan.

Beginning in August 2007, the Foundation began a separate retirement plan of its own, a Simple IRA. Under this plan, employees may contribute up to 6% to the plan, and the Foundation may contribute up to 3%. The Foundation contributed \$4,895 and \$4,895 to the plan for the years ended December 31, 2013 and 2012, respectively.

8. Prior Period Restatement

In 2012, the Organization elected to modify the accounting treatment of certain distributions received from the Red River Bidco, Inc. investment. Non-dividend distributions received in 2012 were formerly treated as investment income on the income statement, and are now presented as a reduction in the investment on the balance sheet. In 2012, this resulted in a decrease of \$62,248 in investment income and the Organization's investment in Red River Bidco, Inc., compared to that as previously reported. Net assets as of December 31, 2012 amounted to \$588,353 as compared to \$650,601, as previously reported.

9. Subsequent Events

The Foundation has evaluated subsequent events through May 15, 2014, the date which the financial statements were available to be issued. No reportable items were noted.

OTHER REPORTS

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May 15, 2014

To the Board of Directors
Greater Bossier Economic Development Foundation
Bossier City, Louisiana

Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greater Bossier Economic Development Foundation as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Greater Bossier Economic Development Foundation's basic financial statements, and have issued our report thereon dated May 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greater Bossier Economic Development Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Bossier Economic Development Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

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However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heard, McElroy & Vestal^{LLC}

Shreveport, Louisiana

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2013

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Greater Bossier Economic Development Foundation.
2. No material weaknesses or significant deficiencies relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance material to the basic financial statements of Greater Bossier Economic Development Foundation were disclosed during the audit.
4. Greater Bossier Economic Development Foundation was not subject to a Federal Single Audit for the year ended December 31, 2013.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

Not applicable.

GREATER BOSSIER ECONOMIC DEVELOPMENT FOUNDATION

SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2013

There were no findings and questioned costs from the prior year.